

General Counsel

88-01298

DS&T-268-88

91 MAR 1999

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Executive DirectorFROM: R. E. Hineman
Deputy Director for Science and TechnologySUBJECT: Pilot Productivity Initiative ☐

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1. This memorandum requests your approval in principle to conduct a pilot program aimed at enhancing employee productivity and morale by provisionally modifying certain Agency requirements and procedures. ☐

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2. The Pilot Productivity Initiative will be modeled after an innovative USDA Forest Service program that has raised productivity and morale by pushing decisionmaking downward, rewarding initiative and removing red tape. A brief outline of this program and its successes is attached. I also view this initiative as an opportunity to test two options developed by the Human Resource Modernization and Compensation Task Force which sparked high employee and management interest: delegating funding control as far downward in the organization as possible, and giving managers the authority to adjust position structure and number of personnel in their components provided they meet predefined budget criteria. ☐

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3. I have identified one group in the DS&T/Foreign Broadcast Information Service as a particularly suitable candidate to carry out a similar experiment in the Agency. FBIS management sees its organization as one which would lend itself to and benefit from this project and would be willing to work the problem vigorously. The ☐ Production Group, responsible for exploiting open-source publications and providing foreign language support to the Intelligence Community, is a homogeneous, stable group whose critical personnel and budget situation make it ideal for this sort of initiative. ☐

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4. As at the Forest Service, in preliminary brainstorming sessions Production Group employees have developed a number of proposals that they believe will improve their productivity, morale, and service overall. Two of

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these are crucial: 1) combining into one line-item the funding of personal and nonpersonal services and 2) instituting internal control over the group's personnel structure. With your approval in principle to undertake the initiative, we will arrange with the Office of General Counsel and Comptroller the necessary modifications of standard procedures and authorities that may be required.

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5. The pilot program will provide useful experience for the directorate and serve my goal of enhancing our foreign language capabilities. It also should be of interest to other directorates thinking of management innovations. It will be conducted by FBIS in consultation with the Office of General Counsel, the Comptroller, and the Human Resource Modernization and Compensation Task Force and the results will be shared with other Agency offices. The pilot program will, of course, be audited at the end of each year to the same level as other Agency components.

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R. E. Hineman

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Attachment:
As stated

CONCUR:

Executive Director

Date

Deputy Director of Central Intelligence

Date

APPROVED:

Director of Central Intelligence

Date

DEPARTMENT OF AGRICULTURE FOREST SERVICE
PILOT PROGRAM AT A GLANCE

- Program grew out of a 1985 Forest Service study to measure organizational effectiveness, which showed that the Forest Service was not fostering entrepreneurship and creativity.

- Goal of program was to eliminate red tape and improve efficiency, productivity and employee morale.

- Four field units were selected to participate in the pilot program.

- Ground rules were established as follows:

- a) Proposals for change had to be legal, within the bounds of basic policy, and within constraints of the budget.

- b) Personnel ceilings and controls over staffing were eliminated within the four units.

- c) Units were allowed to work with a lump sum rather than numerous line item appropriations.

- d) Any savings accumulated could be allocated to other projects at the discretion of the unit.

- Authority and responsibility were pushed downward in the organization to the maximum extent practical.

- Employees in units were asked to identify barriers to productivity both within and outside Forest Service authority.

- From 70-80% of items identified as barriers to productivity were found to be within the control of the Forest Service.

- Pilot units increased their productivity an average of 15% in the first year of the study.

- In one pilot unit, 20% of the savings was distributed as a bonus shared equally with all employees.

- Service to customers improved despite reduced operating budgets.

- Employees used time saved through reduced bureaucracy/paperwork to undertake new projects.

- Most importantly, as noted by Forest Service Chief F. Dale Robertson, the "spirit" of the pilot test units is "bubbling over, and people are much more enthusiastic and excited about their jobs."